

ENTERED

January 05, 2017

David J. Bradley, Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

MATTRESS FIRM, INC.,

Plaintiff,

v.

JOHN ROBERT BAXTER
and DIGI CRAFT AGENCY, LLC,

Defendants.

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CIVIL ACTION NO. 4-16-cv-2264

ORDER GRANTING AGREED PERMANENT INJUNCTION

The Court having fully considered Plaintiff Mattress Firm, Inc. (“Mattress Firm”) and Defendant John Robert Baxter’s (“Defendant” or “Baxter”) Joint Motion to Enter the Agreed Permanent Injunction and the proposed Order Granting Agreed Permanent Injunction, hereby issues the following findings of fact and conclusions of law in support of the permanent injunction and issues the following orders.

I.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Court enters the following findings of fact and conclusions of law in support of the issuance of a permanent injunction against Baxter (“Defendant”).

1. Mattress Firm has been, and is now, extensively engaged in the business of retail sales of mattresses and other sleep products in stores and online,

and markets its products and services under various trademarks. Mattress Firm has over 2,000 retail stores located in 38 states across the United States.

2. Since at least 1994, Mattress Firm has used the trademark HAMPTON & RHODES (U.S. Registration No. 3,090,339) within the United States in connection with the sale of mattresses, box springs, and pillows. The HAMPTON & RHODES trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

3. Since at least 2011, Mattress Firm has used the trademark SLEEP HAPPY (U.S. Registration No. 4,822,389) within the United States in connection with the sale of mattresses, beds, and mattress frames, among other products. The SLEEP HAPPY trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

4. Since at least 2011, Mattress Firm has used the trademark SLEEP HAPPY GUARANTEE (U.S. Registration No. 4,684,990) within the United States in connection with the sale of mattresses, beds, and mattress frames, among other products. The SLEEP HAPPY GUARANTEE trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

5. Since at least 2004, Mattress Firm has used the trademark MATTRESS FIRM RED CARPET DELIVERY SERVICE (U.S. Registration No. 3,008,804) within the United States in connection with its delivery services. The

MATTRESS FIRM RED CARPET DELIVERY SERVICE trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

6. Since at least 2010, Mattress Firm has used the trademark GUARANTEED HAPPY OR YOUR MONEY BACK 100 DAYS NO HIDDEN FEES (U.S. Registration No. 4,226,360) within the United States in connection with the sale of furniture, beds, and mattresses, among other products. The GUARANTEED HAPPY OR YOUR MONEY BACK 100 DAYS NO HIDDEN FEES trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

7. Since at least 2010, Mattress Firm has used the trademark GUARANTEED WE BEAT ANY ADVERTISED PRICE BY 10% OR IT'S FREE (U.S. Registration No. 4,230,550) within the United States in connection with the sale of furniture, beds, and mattresses, among other products. The GUARANTEED WE BEAT ANY ADVERTISED PRICE BY 10% OR IT'S FREE trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

8. Since at least 2010, Mattress Firm has used the trademark GUARANTEED RED CARPET DELIVERY 3 HOUR WINDOW OR IT'S FREE (U.S. Registration No. 4,292,832) within the United States in connection with the sale of furniture, beds, and mattresses, among other products. The

GUARANTEED RED CARPET DELIVERY 3 HOUR WINDOW OR IT'S FREE trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

9. Since at least January 1, 2010, Mattress Firm has used the trademark SLEEP HAPPY OR YOUR MONEY BACK within the United States in connection with the sale of mattresses, beds, and mattress frames, among other products. The SLEEP HAPPY OR YOUR MONEY BACK FREE trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

10. Since at least January 1, 2000, Mattress Firm has used the trademark OUR LOW PRICE GUARANTEE OR IT'S FREE within the United States in connection with the sale of mattresses, beds, and mattress frames, among other products. The OUR LOW PRICE GUARANTEE OR IT'S FREE trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

11. Since at least January 1, 2010, Mattress Firm has used the trademark RED CARPET DELIVERY within the United States in connection with its delivery services. The RED CARPET DELIVERY trademark is a valid and enforceable trademark, owned exclusively by Mattress Firm.

12. Mattress Firm has used, and continues to use its trademarks on its website, www.mattressfirm.com.

13. Baxter is the current owner of www.mattressquote.com.

14. Prior to Baxter's ownership of www.mattressquote.com, it was owned by defendant DIGI Craft Agency, LLC. DIGI Craft Agency, LLC was dissolved in 2013 prior to any Mattress Firm mark appearing on www.mattressquote.com, and Baxter is responsible for www.mattressquote.com during the relevant timeframe.

15. Defendant used Mattress Firm's trademarks on the website www.mattressquote.com and in a manner identical to that of Mattress Firm.

16. Defendant was not authorized to use any trademarks belonging to Mattress Firm.

17. Defendant's unauthorized use of Mattress Firm's trademarks has caused, and will continue to cause, confusion, mistake, and deception among consumers or potential consumers as to the source or origin of the products and services offered by Defendant via www.mattressquote.com.

18. Defendant's unauthorized use of Mattress Firm's trademarks has caused, and will continue to cause, confusion, mistake, and deception among consumers or potential consumers as to the source or origin of the products and services offered by Mattress Firm and the approval of those products and services by Defendant.

19. Defendant had actual notice of Mattress Firm's use of its trademarks through viewing and copying of images and content of the Mattress Firm website.

20. Defendant's unauthorized use of Mattress Firm's trademarks constitutes trademark infringement in violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114.

21. Defendant used, in commerce, a reproduction, counterfeit, copy, or colorable imitation of Mattress Firm's trademarks on competitive, identical, or closely related services and/or products, including in connection with the website www.mattressquote.com.

22. Defendant's use of Mattress Firm's trademarks constitutes common law trademark infringement under Texas law.

23. Defendant's use in commerce of Mattress Firm's trademarks has caused a loss of goodwill and profits to Mattress Firm, has damaged the reputation of genuine products and services containing Mattress Firm's trademarks, and has injured the public by causing confusion, mistake and deception.

24. Defendant's use in commerce of Mattress Firm's trademarks has diminished Mattress Firm's ability to control what is sold under Mattress Firm's trademarks.

25. Defendant's use of Mattress Firm's trademarks constitutes a violation of 15 U.S.C. § 1125(a).

26. Mattress Firm has suffered irreparable injury as a result of Defendant's use of Mattress Firm's trademarks.

27. The remedies available at law, such as monetary damages, are inadequate to compensate the irreparable injury suffered by Mattress Firm as a result of Defendant's use of Mattress Firm's trademarks.

28. There is substantial likelihood that Mattress Firm will succeed on the merits of this case.

29. A permanent injunction, preventing Defendant from using any of Mattress Firm's trademarks, would not cause any hardship to Defendant. However, absent such an injunction, Mattress Firm would face unquantifiable hardship. As such, the balance of hardships between Mattress Firm and Defendant warrant a remedy in equity.

30. The issuance of a permanent injunction, preventing Defendant from using any of Mattress Firm's trademarks, would not disserve the public interest. Indeed, the issuance of a permanent injunction aids the public interest by reducing confusion as to the source of goods and services.

31. On July 29, 2016, Mattress Firm commenced a lawsuit (the "Action") against Defendant by filing a Complaint in this Court.

32. This Court had, and continues to have, subject matter jurisdiction over the Action, pursuant to 28 U.S.C. § 1338(a) and 28 U.S.C. § 1367(a).

33. This Court had, and continues to have, personal jurisdiction over Defendant, as Baxter continues to conduct, business in the district.

34. Venue for the Action is proper in this district, pursuant to 28 U.S.C. § 1391 because Baxter continues to conduct, business in the district and because a substantial part of the events or omissions giving rise to the Action occurred in the district.

II.

PERMANENT INJUNCTION

1. Defendant Baxter, his principles, shareholders, officers, directors, employees, successors, assigns, agents, servants and attorneys, and all those persons in active concert, participation or privity with them, or any of them, are **ENJOINED FROM THE FOLLOWING:**

- a. Infringing any trademarks belonging to Mattress Firm including, but not limited to, the following trademarks: HAMPTON & RHODES, SLEEP HAPPY, SLEEP HAPPY GUARANTEE, MATTRESS FIRM RED CARPET DELIVERY SERVICE, GUARANTEED HAPPY OR YOUR MONEY BACK 100 DAYS NO HIDDEN FEES, GUARANTEED WE BEAT ANY ADVERTISED PRICE BY 10% OR IT'S FREE, GUARANTEED RED CARPET DELIVERY 3 HOUR WINDOW OR IT'S FREE, SLEEP HAPPY OR YOUR MONEY BACK, OUR LOW PRICE GUARANTEE OR IT'S FREE, and RED CARPET DELIVERY;

- b. Using any Mattress Firm trademark in commerce in such a way as to dilute the quality of those trademarks;
 - c. Using any Mattress Firm trademark, or any mark that is confusingly similar to any Mattress Firm trademark, for retail purposes or otherwise;
 - d. Engaging in any course of conduct with respect to any Mattress Firm trademark that is likely to mislead the public into believing that Defendant is affiliated with or otherwise connected to Mattress Firm;
 - e. Engaging in any course of conduct with respect to any Mattress Firm trademark that is likely to mislead the public into believing that the products marketed and/or offered for sale by Defendant is licensed, sponsored, authorized, or otherwise approved by Mattress Firm; or
 - f. Engaging in any other activity constituting infringement or unfair competition with respect to any Mattress Firm trademark.
2. Defendant waives any right to appeal entry of this Order.
3. This Order applies to and binds all parties who are in active concert or participation with Defendant as provided in Fed. R. Civ. P. 65(d). Defendant waives any objection under Fed. R. Civ. P. 65.

4. This Order shall bind Defendant and his principles, shareholders, officers, directors, employees, successors, assigns, agents, servants and attorneys.

5. This Order is agreed upon by Defendant by and through his undersigned counsel.

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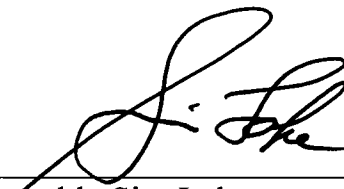
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**ATTORNEY IN CHARGE FOR
JOHN ROBERT BAXTER**

IT IS SO ORDERED.

Dated: January 5, 2017



The Honorable Sim Lake
JUDGE PRESIDING
United States District Court
Southern District of Texas
Houston Division